



CALPEEK

CALIFORNIA POLITICAL WEEK

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Dick Rosengarten, Publisher

VOL. XV
No. 8

FEB 22, 1993

A DIVIDED CA REPUBLICAN PARTY WILL GATHER IN SACTO FEB. 26-28 TO BATTLE OVER CRP LEADERSHIP.

Editor's note: It's that time of year again when GOP central committee members gather to elect new leaders and to talk about the future of **Calif. Republican Party (CRP)**. Here is CALPEEK's preview & analysis of the upcoming Feb. 26-28 convention...

...Will the upcoming gathering of CRP central committee members be a **Big Tent** affair --- or more of the same fighting that has characterized relations between the hardline and moderate wings of the party? The betting is that the fighting will continue, much to the displeasure of CA Gov. Pete Wilson...

...While it's true that Wilson is not on especially friendly terms with the hardline conservatives who dominate the CRP, it is also true that in recent months Wilson has gone into what insiders call "the election mode," meaning that he is trying very hard to **avoid** confrontations with the hardliners. Wilson feels that if he is to have any chance of winning a second term, he very much needs a *united* Republican Party in Calif. (See inside for a story about Wilson's standing in polls)...

...It is against this background that delegates to the CRP meeting will elect new leaders for the next two years. As CALPEEK has reported before, there is little if any controversy over the selection of Dr. Tirso del Junco to be the new CRP chair. The big battles will be for CRP vice chair and treasurer...

...For vice chair, there are 3 candidates: former Reagan Admin. official John Herrington, CRP Golden Bears co-chair John McGraw, and Monica Valladares, who was a 1992 GOP assembly candidate. Sources say that McGraw is the favorite. The other battle for treasurer features CRA Pres. Michael Schroeder vs. former GOP Assemblywoman Carol Bentley. The betting favors

Schroeder. And we should note that both McGraw and Schroeder are part of a hardline conservative slate...

...CALPEEK sources also expect CRP delegates to adopt a by-laws change dealing with the *platform process*. Under the proposed rule change, the CRP platform would have to be adopted by **spring** of an election year, rather than in the fall. In addition, this by-laws change also affirms the CRP's last party platform --- yes, that's the platform that promotes PRO-Life language on the abortion question. Lots of fireworks here. And there could be more fireworks as one of the resolutions up for consideration deals with **gays in the military**...

...FYI: CALPEEK sources report that Bob Carpenter will be the CRP's new executive director. Carpenter used to work for former GOP Assembly Leader and CRP chair Bob Naylor. Stay tuned...

CA ECONOMIC SUMMIT: EXPERTS ARGUE OVER THE CAUSES AND SOLUTIONS TO CA'S ECONOMIC SLUMP.

Editor's note: Assembly Speaker Willie Brown's Calif. Economic Summit is over and now political pundits will argue whether it was worthwhile. CALPEEK will look at the politics of the CES, as well as some suggestions and comments that were made. Here is our report...

...Overall, CALPEEK sources rate the CES as a 6 or 7 on a scale of 10. What most attendees hope for out of the summit is some **action** by the State Legislature. As Latham & Watkins attorney David Fleming said, "We know the problems, we just want action."...

...Politically, Gov. Pete Wilson may have made a big mistake in leaving the CES early. He gave an opening speech, which was a rehash of his State of the State address, and then left about 2 hours later. If the excuse for leaving was that he had urgent business in Sacto, then

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some sources suggest that there is **nothing** as urgent as fixing Calif.'s troubled economy and he should have stayed at the summit for the rest of the day...

...Was there any general agreement on causes or solutions? Some, but not much. The economic experts were all over the place on what is causing Calif.'s problems. Arthur Laffer, the guru of *supply side economics*, said everything would be okay if the State went to a flat tax system. Stanford Univ. professor John Shoven said CA's recovery was linked to that of the U.S., while 1st Interstate bank economist Lynn Reaser said the rate of Calif.'s recovery would depend on how fast the State could eliminate negative policies which hamper growth...

...One area where there seemed to be a united front was **education funding**. Experts and business leaders argued for a well educated workforce to meet the needs of business and industry. Most of the experts also agreed that CA's **housing** and **defense** industries have been badly hurt during this recession and that both have to rebound before CA begins to recover. The defense industry may have a tough time, because some of the experts say that the jobs lost so far will **never** come back because of changing U.S. priorities...

...As for **workers' comp reform**, that subject kept coming up repeatedly during the summit. The two most interesting exchanges about WC reform came after economist Bob Arnold said workers' comp reform would have a *marginal impact* on CA's economic recovery, but it would make small businesses feel better. You could see more than half the audience coming unglued at that remark and Gov. Wilson said of Arnold, "He's living in splendid isolation in Palo Alto." The other interesting remark about workers' comp came from Zenith Insurance Co. executive Stanley Zax, who said new laws were **not needed**, but rather enforcement of the current laws by the AG, DAs and police agencies of Calif. He said, "Why is that the TV shows can find the workers' comp fraud crooks, but law enforcement can't.?" Good question...

...Bottomline: the CES was an interesting gathering that shed some new light on complex questions, but it remains to be seen whether David Fleming's early remarks will have any impact --- "We know the problems, we just want action." Stay tuned...

GOV. WILSON APPEARS TO BE IN TROUBLE FOR 1994.
As Gov. Pete Wilson starts the third year of his first term in office, many insiders and political pundits think the once popular GOP chief executive could be a one term governor. Certainly the latest Field Poll points to a problem if the election were held now...

...In the Field Poll, taken Feb. 1-8 among a statewide sample of 1,052 (795 registered voters), Wilson is defeated for reelection by **both** Demo State Treasurer Kathleen Brown and Demo Insurance Commissioner John Garamendi. Here are the side-by-side numbers:

Brown 53%	Garamendi 51%
Wilson 37%	Wilson 35%
Undec. 10%	Undec. 15%

...And in case you missed it, in a Demo primary, Brown *mashes* Garamendi by 18 points, 48% to 30%, with 22 undecided...

...Back to Wilson. It's not just these numbers which have to be troubling to Wilson campaign consultant George Gorton, head of the Calif. Group. Among Demos, only 9% say they are *inclined* to reelect Wilson. That's not too surprising. What *is* surprising is that only 49% of GOP voters say they would be inclined to vote for Wilson in 1994. A very large bloc of GOP voters, 40%, say they are *disinclined* toward Wilson. That's why Wilson is trying hard to avoid any kind of confrontation with hardline conservatives...

...FYI: It's not just the polling that is of concern to Wilson. Sources indicate that there is trouble within the Wilson donor base. Sources say some Wilson donors are looking for someone to blame for the 1992 fiasco. Although no one has an exact idea, there is talk that Wilson's debt from 1992 runs anywhere from just under \$500,000 to about \$2 million. Stay tuned...

L.A. PA OFFICERS HOST MAYOR CANDIDATES.
The L.A. Public Affairs Officers Assn. will present an L.A. Mayoral Candidates Forum, Feb. 22, starting at 11 a.m., Tower Restaurant, L.A. Candidates include Councilmembers Nate Holden, Joel Wachs and Michael Woo; Julian Nava; Nick Patsaouras, Stan Sanders and Tom Houston. For info, Jenny Silver (213)975-5107...

SPECIAL ELECTION UPDATE: 4 POSTS ON THE LINE.

Editor's note: There are 3 State Senate seats and 1 State Assembly seat on the line in 4 special elections set for Mar. 2. Here is CALPEEK's final update & analysis of these primary contests...

...Unlike a regular election, in specials, voters can **cross over party lines** and there are tighter contribution laws, with \$1,000 limits. If no candidate receives a majority, a runoff will take place Apr. 27 between the top vote getters of each party. And a recent U.S. Court of Appeals decision has upheld the current CA Election Code, which calls for candidates to run under the old State Senate district lines...

- 32nd Senate District - Hardline conservative GOP businessman Rob Hurtt is a heavy favorite to win this Orange Co. seat that was left vacant when Ed Royce was elected to congress. As of last week, Hurtt's campaign had gathered somewhere close to 20,000 absentee voter ballots. The four Demo challengers had turned in about 3,000 AV ballots. Of all ballots turned in, about 80% are from GOP voters, in a district that has a 45% GOP registration. Bottomline: Hurtt should win without a runoff...

- 2nd Senate District - This battle in Northern Calif. (in the Santa Rosa/Vallejo areas) is essentially a 2-person race between State Sen. Mike Thompson(D) and GOP candidate Margie Handley. A recent poll donated by the CA Medical Assn. to Thompson shows him with a 49% to 19% lead over Handley, with 5% for other candidates. Thompson currently represents the 4th S.D., but the 2nd S.D. has a bigger and safer Demo registration, whereas the 4th S.D. could go to a Republican candidate in 1992. That's why Thompson is jumping from his old district to the OPEN 2nd S.D. The big question here is whether Thompson consultant Paul Kinney and his team can win without a runoff. If he can, then Demos will be in a much better position to help out in the final State senate special, where a runoff is almost guaranteed...

- 16th Senate District - This Kern/L.A. Co. district has a 48% Demo vs. 40% GOP registration. The leading contenders are Assemblyman Jim Costa on the Demo side and former Assemblyman Phil Wyman and Bakersfield Councilman Kevin McDermott on the GOP side. There are other candidates, but these are the key players. There doesn't seem to be much doubt that an

Apr. 27 runoff is very likely. It will be Costa vs. one of the key GOPers...

...Aside from his city council district, McDermott is not that well known in the area, whereas Wyman has represented much of the area while serving in the Assembly. McDermott has backing from U.S. Rep. Bill Thomas(R-Bakersfield), but Wyman probably has most of the key GOP endorsements. Both have been strapped for money, but Wyman probably has an edge in grassroots type help from the **religious right** and from the **gun lobby**. Wyman has an "*Eat, Walk & Shoot*" deal that reminds you of Demos & Donuts. You come to Wyman HQ's to eat, walk a precinct and then you get a free pass to the 3-Dog Gun Range. Bottomline is that this primary battle depends on turnout and here hardliners usually do a better job in getting their supporters out to vote. Best guess is that the total turnout will be about 23-25%...

- 31st Assembly District - This is the other Central Valley battle, but this time in the Fresno area, where the city is in the midst of a hot mayoral race. The leading Demo is Cruz Bustamonte, top aide to former Assemblyman Bruce Bronzan. This is Bronzan's old seat. The Calif. Demo Party is funding most of this effort, with day-to-day manager Lynn Montgomery on site and Richie Ross doing mail. Demo Jacqueline Hodge is a long shot. On the GOP side, there are two challengers, Tulare Co. Dep. Sheriff Glen Peterson and Fresno Co. Sup. Doug Vagin. Neither seem to have much of an operation in this 63% Demo vs. 27% GOP district. Will there be a runoff? Demos are hoping for an outright win and given the Fresno City election, a 33-36% turnout could produce a Bustamonte win without a runoff, but don't bet your first born. Stay tuned...

CA DEMO PARTY CHAIRMANSHIP BATTLE LOOMS.

Editor's note: About a month after the Republicans do their thing in Sacto, the **Calif. Demo Party** heads into town for its annual gathering, Apr. 2-4. Here is CALPEEK's update on what's going on with the Demos...

...Calif. Demos have still not come down to earth, even though Pres. Bill Clinton has been in the White House for more than a month. However, slowly but surely, CA Demo Party central committee members are beginning to focus on who will replace Phil Angelides as party chair...

...Unlike the GOP, the Demos elect their officers for a 4

year period. As CALPEEK went to press, there were at least 2 contenders already IN and at least 3 more taking a serious look. Already in and running are TV commentator/radio talk show host Bill Press, who sources say will make an official announcement *very soon*; and Rock the Vote organizer Steve Bar...

...Not yet in but looking **seriously** are Mark Takano, who ran unsuccessfully for congress from the Riverside area last year; well-known L.A. attorney Lisa Specht; and Cathy Pfeifferberger, managing director of Shearson Lehman Brothers in L.A. Specht and Pfeifferberger are well known as Demo fundraisers; and both are what one would call "pragmatic" as opposed to very liberal. Another potential woman candidate for chair, AFSCME organizer Arlene Holt, is now said to be looking at another party job, vice chair...

BATTLE FOR PANETTA'S HOUSE SEAT IS HEATING UP.

Editor's note: Gov. Wilson has set Apr. 13 for a special election to replace Leon Panetta, who resigned his House seat to become Director of OMB in the Clinton Admin. As of deadline time, there were 27 candidates in the field, but some may drop out. Here's our update...

...Even though this is a Demo leaning district, in this report we'll start with the Republicans. Of the 27 in the race, 7 are GOPers. The leading contenders among the Republicans are Jess Brown, the exec. director of the Santa Cruz Co. Farm Bureau Federation; and Barbara Honegger, who was an official in the Reagan Admin. Republican Bill McCampbell, who ran and lost to Panetta last November, is also running. Brown has hired consultant Ron Smith, and this by itself gives Brown much credibility. And it's believed that Brown will get the endorsement of the powerful Lincoln Club of No. Calif....

...On the Demo side, there could be a real horse race between Assemblyman Sam Farr and Monterey Co. Sup. Barbara Shipnuck. There are numerous other Demos in this primary, but Farr and Shipnuck are the ones with clout. Farr has hired Larry Sheingold as his lead consultant, with Fairbank, Maullin & Assoc. as pollsters. Shipnuck has hired the Campaign Group as media advisers, the Campaign Performance Group (read that as Richard Slackman) to do mail; and has hired Greenberg-Lake for polling...

...A recent FM&A poll for Farr shows him way out in front with 48%. The poll summary says no other candidate exceeds 10%. A FM&A source told CALPEEK that among Republicans, Brown had 4% and Honegger had 2%. The polling data doesn't shock the Shipnuck campaign, given the fact that Farr has much better name ID than their candidate. Farr, who is not what you'd call a real mover in the Assembly, is doing all he can to make it look as though he is Panetta's best buddy. But the fact is that these two Demos have never been that close. Panetta is neutral. But Farr can count on key endorsements from U.S. Senators Barbara Boxer and Dianne Feinstein, U.S. Rep. Nancy Pelosi and State Treas. Kathleen Brown. Shipnuck has endorsements from the Women's Campaign Fund, Emily's List and an expected endorsement from NWPC. Stay tuned...

NEW JOBS, ADDRESSES AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

- Karin Miranda Pipkin is the new deputy secretary for policy & planning at the State and Consumer Services Agency. She was former U.S. Rep. Tom Campbell's COS and was a vp for the Ronald Smith Co. from 1982-88...
- Thomas Sayles has been named Secretary of the Business, Transportation & Housing Agency. He had been commissioner of the Dept. of Corporations...
- Franklin White has been selected as the first CEO of the new Metropolitan Transportation Authority for L.A. County. He comes to L.A. from his post as NY's transportation commissioner...
- Sam Schuchat is the new exec. director of the CA League of Conservation Voters (CLCV). He was with Children Now before coming to his new post...

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